GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

STARRED QUESTION NO:258
ANSWERED ON:07.03.2003
LOK ADALATS FOR RECOVERY OF LOANS
GORDHANBHAI JAVIA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the number of defaulting borrowers of public sector banks who have to pay more than Rs. 10 crore, bank-wise;

(b) whether the RBI has advised the banks to set up Lok Adalats to recover bank loans;

(c) if so, the details thereof;

(d) the names of the public sector banks which have set up such Lok Adalats so far;

(e) the NPA recovered by each bank during the current financial year till date; and

(f) the other concrete steps taken by the Government to recover NPAs?

Answer

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH):

(a) to (f) On the basis of available information, the number of defaulting borrowers of Rs. 10 crore and above and details of recoveries made by the public sector banks during the year 2001-2002 (bank-wise) is given in the enclosed Statement. Reserve Bank of India (RBI) has advised all Scheduled Commercial Banks and Financial Institutions to participatein Lok Adalats convened by Debt Recovery Tribunals (DRTs)/Deb Recovery Appellate Tribunals(DRATs) for settling cases involving Rs. 10 lakhs and above to reduce their stock of Non-Performing Assets (NPAs). Accordingly, all Public Sector Banks are participatingin the Lok Adalats. Government of India and RBI have advised the banks to take additionalsteps such as evolving and implementing recovery policy, filing of suits with civil courts/Debt Recovery Tribunals, compromise settlement through Settlement Advisory Committeeand through non-discretionary and non-discriminatory One Time Settlement schemes. CreditInformation Bureau has also been set up to disseminate information on borrowers to the banks. Corporate Debt Restructuring (CDR) mechanism has been put in place to provide a transparentmechanism for restructuring of corporate debts of viable entities. The Asset Reconstruction Company (India) Ltd. has been incorporated under the Companies Act, 1956. The Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 has been enacted recently to facilitate foreclosure and enforcement of securities in cases of default and to enable the banks and financial institutions to realize their dues. RBI have issued a fresh one-time settlement scheme on 29th January, 2003 for compromise settlement of chronic NPAs upto Rs. 10 crore.